

COASTAL CONSERVANCY

Staff Recommendation
June 29, 2006

BIG RIVER/SALMON CREEK FORESTLANDS ACQUISITION

File No. 05-106
Project Manager: Karyn Gear/Moira McEnespy

RECOMMENDED ACTION: Authorization to disburse up to \$7,250,000 to The Conservation Fund towards its acquisition of forested property in the Big River and Big Salmon Creek watersheds, Mendocino County.

LOCATION: Big River and Big Salmon Creek Watersheds, Mendocino County (Exhibits 1-3)

PROGRAM CATEGORY: Integrated Coastal and Marine Resources Protection

EXHIBITS

Exhibit 1: Project Location (General) Map

Exhibit 2: Acquisition Site Map

Exhibit 3: Regional Map

Exhibit 4: List of affected Mendocino County Assessor's Parcel Numbers

Exhibit 5: Letters of Support

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31000 *et seq.* of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement of an amount not to exceed seven million two hundred fifty-thousand dollars (\$7,250,000) to The Conservation Fund (TCF) towards its acquisition of approximately 16,000 acres of Hawthorne timberlands property in the Big River and Salmon Creek Watersheds of Mendocino County (Mendocino County Assessor Parcel Nos. as listed in Exhibit 4 to the accompanying staff recommendation) for the purposes of preventing fragmentation of forestlands; protecting, restoring and enhancing water quality and salmonid habitat; improving forest structure and increasing natural diversity; and providing public access where appropriate, subject to the following conditions:

1. Prior to the disbursement of State Coastal Conservancy funds for acquisition:

- a. TCF shall:
 - 1) Submit for the review and approval of the Executive Officer of the Conservancy (“the Executive Officer”):
 - i. All relevant acquisition documents, including but not limited to an appraisal, environmental assessments, agreement of purchase and sale, escrow instructions, and documents related to title.
 - ii. Evidence that TCF has obtained all funds necessary to complete the acquisition.
 - 2) Enter into an agreement or other instrument acceptable to the Executive Officer requiring periodic payment to the Conservancy of fifteen percent of future timber revenues generated by the property in excess of property taxes, loan repayments, and reasonable costs of management of the Hawthorne timberlands property. At the request of the Executive Officer, the instrument shall be recorded.
 - b. The period for review by the Joint Legislative Budget Committee and the Department of Finance provided for in the 2003 and 2004 Budget Acts for certain expenditures under the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) shall have been completed.
2. TCF shall pay no more than fair market value for the property as established in an appraisal approved by the Executive Officer.
 3. TCF shall permanently dedicate the property in a manner acceptable to the Executive Officer for the purposes of preventing fragmentation of forestlands; protecting, restoring and enhancing water quality and salmonid habitat; improving forest structure and increasing natural diversity; and providing public access where appropriate. The dedication shall require forest management practices complying with Forest Stewardship Council certifications or an equivalent approved by the Executive Officer.
 4. TCF shall acknowledge Conservancy funding by erecting and maintaining a sign on the property that has been reviewed and approved by the Executive Officer.
 5. TCF shall prepare and submit for approval by the Executive Officer, in consultation with the California Department of Fish and Game and the California Department of Forestry, a forest management plan for the property within a reasonable time after acquiring the property, but no later than December 31, 2008. The plan shall include, among other things, descriptions of specific lands and preserve areas, definitions of operative terms such as “excess revenues,” and monitoring procedures. The plan shall be updated periodically, and the updates submitted for approval by the Executive Officer.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with Chapter 5.5 of Division 21 of the Public Resources Code (Section 31220) regarding integrated coastal and marine resources protection.
2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.

3. The Conservation Fund is a nonprofit organization existing under Section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the Public Resources Code.”
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PROJECT SUMMARY:

The proposed authorization would help The Conservation Fund (TCF) to acquire approximately 16,000 acres in the Big River watershed (11,700 acres in the “Big River tract”) and Big Salmon Creek watershed (4,350 acres in the “Big Salmon Creek tract”), currently part of Hawthorne Timber Company’s Mendocino holdings, for the purposes of preventing fragmentation of forestlands; protecting, restoring and enhancing water quality and salmonid habitat; improving forest structure and increasing natural diversity; and providing public access where appropriate.

After the acquisition, TCF will continue to manage the lands as a working forest, but will reduce the current harvest to levels that will enable improved forest structure, water quality and species habitat (TCF anticipates decreasing current harvest levels by up to 50%). Acquisition of the Big River tract would link the Big River Unit of Mendocino Headlands State Park, which contains the 8.3-mile estuary, Mendocino Woodlands State Park and Jackson State Demonstration Forest, and would complement the public acquisitions higher up in the watershed around Montgomery Woods State Park, thus enabling significant resource protection and water quality improvement throughout the watershed. Acquisition of the Big Salmon Creek tract would secure over 50 percent of the Salmon Creek watershed, enabling significant protection of coho habitat. See Exhibits 2-3.

To achieve the acquisition purposes, TCF will work with the Conservancy, the California Department of Forestry (CDF), the California Department of Fish and Game (DFG), the California Department of Parks and Recreation (DPR), and local stakeholders such as the Redwood Forest Foundation, Incorporated (RFFI) and other interested parties to prepare a forest management and restoration plan, plan sustainable timber harvests which eventually will fund the repayment of loans taken to purchase and /or manage the properties, the implementation of the forest management and restoration plan, and provide public access.

TCF will also permanently dedicate the property for the purposes of preventing fragmentation of forestlands; protecting, restoring and enhancing water quality and salmonid habitat; improving forest structure and increasing natural diversity; and providing public access where appropriate. The dedication shall require forest management practices complying with Forest Stewardship Council certifications¹ or equivalent. It is possible that other funding partners may acquire a conservation easement, which will provide additional protection for the property.

For decades, logging has been the predominant land use throughout the north coast region. While historic logging practices have had severe impacts on coastal watersheds, logging has also left a

¹ The Forest Stewardship Council (FSC) was formed largely in response to sustainable forestry discussions at the 1992 Earth Summit in Rio de Janeiro, and has since developed widely-known and accepted standards of “sustainable forestry.” FSC certification is a voluntary, market-driven process through which forest managers can gain recognition for ecologically, socially, and economically exemplary forestry. FSC has developed principles and criteria for forest management that address legal issues, indigenous rights, labor rights, multiple benefits, and environmental impacts surrounding forest management. In addition, approved regional standards are applied “above and beyond” the principles and criteria, specific to the forest types found in the U.S. FSC’s Pacific Coast standards are applicable to the proposed Hawthorne Forestlands project.

legacy of large landholdings that until now have prevented the fragmentation of the landscape into the patchwork of small parcels that typifies much of rural California. A handful of industrial timber companies own more than 1,000,000 acres throughout the north coast region, but political and economic pressures have brought these lands to an historic crossroad. Struggling timberland owners, seeking a higher economic return, are pursuing alternative land uses, and as a consequence, rural residential development and vineyard conversions are increasingly common in the north coast. The threat of wholesale fragmentation of these large timber tracts is imminent, and once fragmented, they will never again be reassembled. This fragmentation will both further reduce the viability of the timber industry in northern California, and result in the permanent loss of the significant habitat values provided by these large land tracts.

In addition to preventing fragmentation, acquisition and management of the Hawthorne properties by TCF would be consistent with a number planning efforts, discussed later in this report:

- The California Department of Fish and Game's (DFG's) *Recovery Strategy for California Coho Salmon* (February 2004).
- TCF's *Conservation Prospects for the North Coast: A Review and Analysis of Existing Conservation Plans, Land Use Trends and Strategies for Conservation on the North Coast of California* (August 2005).
- The Mendocino Land Trust's *Mendocino County Coastal Conservation Plan* (April 2003), a Conservancy-funded plan.

TCF is a national nonprofit organization that, since its inception in 1985, has protected more than 3.5 million acres across the country, and has undertaken similar forest conservation projects on both the east and west coasts. The Conservancy has worked successfully with TCF on previous conservation projects, most notably the 23,500-acre Garcia River Forest (Coastal Forestlands) in which TCF owns and manages the property as a model demonstration project for sustainable forestry. TCF is committed to similarly managing the Hawthorne Forestlands property, and has staff with forest management expertise.

Initially, any revenues from timber harvest will be used to repay outstanding acquisition loans and manage, maintain and enhance the property. However, in the future, as the timber volume increases, there could be excess revenues over those required for prudent property management. Thus staff has included a condition in the resolution that would require TCF to remit fifteen percent of any surplus revenues to the Conservancy, proportional to the amount of the purchase price provided by the Conservancy.

Site Description: Hawthorne Timber Company owns four separate tracts in Mendocino County; from north to south they are Usal Creek (50,637 acres), Ten Mile (114,756 acres), Big River (11,700 acres) and Big Salmon Creek (4,350 acres). The Big River and Big Salmon Creek tracts are the subject of this proposed acquisition. The Big River tract is located such that the Big River Unit of Mendocino Headlands State Park is adjacent to the west, the Mendocino Woodlands State Park is adjacent to the northwest, Jackson Demonstration Forest is adjacent to the northeast, and private timberlands are adjacent to the east. The Big River tract contains a portion of the main stem of Big River, as well as Little North Fork, Two Log Creek and Laguna Creek, tributaries of the Big River. The Big Salmon Creek tract comprises the entire eastern half of the Salmon Creek watershed, and includes a portion of Big Salmon Creek. DFG's coho recovery strategy notes that during surveys conducted during 2000-2002, coho salmon were found consistently in Big Salmon

Creek. See Exhibit 2. Both the Big River and Big Salmon Creek tracts are dominated by coastal redwood and Douglas fir forests that have been managed for industrial timber production for several decades. The Big River watershed and the Albion River watershed (which contains Big Salmon Creek) are listed by the State Water Resources Control Board (SWRCB) as having impaired and/or threat of impaired water quality by sediment and/or temperature in accordance with Section 303(d) of the federal Clean Water Act (see the “Consistency with Local Watershed Management Plan/State Water Quality Control Plan” discussion below). In addition, both the Big River and Albion River watersheds are designated as “Critical Coastal Areas” (CCAs), or specially-designated land areas of the California coast where government agencies and other stakeholders have agreed to improve or protect exceptional coastal water quality from the impact or threat of nonpoint source pollution via specific management measures.

Project History: The Conservancy has already invested substantial funds in the protection of the Big River Estuary and watershed, most notably providing funds toward acquisition of and preliminary planning for the Big River Unit of Mendocino Headlands State Park (over \$7 million) and toward acquisition of properties higher up in the watershed around Montgomery Woods State Park (\$500,000). The proposed Big River acquisition was previously contemplated as a “second phase” Big River acquisition.

PROJECT FINANCING:

TCF has negotiated to purchase the Big River and Big Salmon Creek tracts from the Hawthorne Timber Company for \$48,500,000 by September 15, 2006. TCF has applied to the State Water Resources Control Board for a nonpoint source and estuary enhancement loan in the amount of \$25,000,000 under the State Revolving Fund. At its July 2006 meeting, the State Water Board is expected to consider the loan. The Wildlife Conservation Board will consider its proposed \$7,250,000 funding allocation at its August, 2006 meeting. TCF is committed to raising the remainder in a mix of public and private funds. The proposed funding breakdown is as follows:

Coastal Conservancy	\$7,250,000
State Revolving Loan	25,000,000
Wildlife Conservation Board	7,250,000
The Conservation Fund	5,000,000
Other public and private sources	<u>4,000,000</u>
Total Project Cost	\$48,500,000

Most of the Conservancy funds proposed for this authorization come from 2003 and 2004 appropriations to the Conservancy from Proposition 50 “The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002.” These funds are allocated to the Conservancy for the purpose of protecting coastal watersheds through projects undertaken pursuant to the Conservancy’s enabling legislation (Division 21 of the Public Resources Code), including acquisition, protection and restoration of land and water resources. Other Conservancy funds for the acquisition come from a 2005 appropriation from Proposition 12, “The Safe Neighborhood Parks, Clean Water, Air and Coastal Protection Bond Act of 2000.” The particular Proposition 12 funds are designated for coastal resource enhancement, particularly the acquisition, rehabilitation, restoration, enhancement and protection of real property or other actions that benefit fish and wildlife north of the Gualala River.

The proposed authorization will be used to acquire land for the purposes of protecting, restoring and enhancing forest health, habitat and water quality for coho salmon and other species in the Big River and Salmon Creek watersheds, which are located north of the Gualala River, consistent with Proposition 12. The proposed project is consistent with the Conservancy's enabling legislation, as discussed in the "Consistency with Conservancy's enabling legislation" section of this report, below, and with applicable adopted local watershed management plans and the applicable regional water quality control plan adopted by the North Coast Regional Water Quality Control Board ("RWQCB"), as discussed in the "Consistency with local watershed management plan/state water quality control plan" section of this report, below. The proposed authorization is thus also consistent with Proposition 50.

The proposed project also provides the potential for future revenue generation for the Conservancy. The amount and timing of revenues would be dependent on the rate and timing of harvest, and surplus of profits over property management, loan repayment, and restoration costs.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project is consistent with Chapter 5.5 of the Conservancy's enabling legislation (Public Resources Code Section 31220) in the following respects:

Section 31220(a) authorizes the Conservancy to award grants for coastal watershed, habitat, and water quality protection and restoration. Consistent with this section, the Conservancy proposes to award a grant to TCF to acquire property within two coastal watersheds for the purposes of preventing fragmentation of forestlands; protecting, restoring and enhancing water quality and salmonid habitat; improving forest structure and increasing natural diversity; and providing limited public access where appropriate and compatible with resource protection and restoration objectives.

Consistent with subsection 31220(b)(1), the proposed project will implement land use practices that reduce contamination of waters within the coastal zone (most notably sediment for which both the Big River watershed and the Albion River watershed, which contains Big Salmon Creek, are listed by the SWRCB as impaired and/or threatened impaired and for which a TMDL ("total maximum daily load"; see discussion in the "Consistency With Local Watershed Management Plan" section, below) Implementation Policy has been adopted by the RWQCB; and temperature for which the Big River watershed is listed as impaired and/or threatened impaired). Consistent with subsection (b)(2), the proposed project will implement land use practices that protect and restore fish (namely coho and other salmonid) and wildlife habitat within two coastal watersheds. Consistent with subsection (b)(3), the proposed project will implement land use practices that reduce threats to coastal and marine fish (again, coho and other salmonids) and wildlife, largely through reducing temperature in and sediment to Big River and Big Salmon Creek. Consistent with subsection (b)(4), the proposed project will implement land use practices that reduce unnatural erosion and sedimentation of two coastal watersheds (caused by current and past timber harvest levels). Consistent with subsection (b)(6), the proposed project will acquire, protect and restore coastal riparian areas and other sensitive watershed lands. Consistent with subsection (b)(8), the proposed project will provide for public access compatible with resource protection and restoration objectives, as well as with public safety.

In accordance with section 31220(c), the proposed project is consistent with the Integrated Watershed Management Program established under Public Resources Code Section 30947, local

watershed management plans, and water quality control plans adopted by the SWRCB. Please see the discussion in the “Consistency With Local Watershed Management Plan/State Water Quality Control Plan” section of this report, below. Also in accordance with Section 31220(c), the proposed project will contain a monitoring and evaluation component that includes indicators of ecosystem health and forest productivity (e.g., water quality, including sediment and temperature, timber volumes and growth rates, presence of salmonids). Conservancy staff is also consulting with the State Water Resources Control Board to ensure consistency with Chapter 3 (commencing with Section 30915) of Division 20.4 of the Public Resources Code.

CONSISTENCY WITH CONSERVANCY'S STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 4 Objective A**, the proposed project will contribute over 16,000 acres toward the goal of acquiring 67,000 acres of properties of special significance. Consistent with the **Goal 4 Statewide Strategy**, the project will “acquire fee title...on resource lands that (1) connect existing public lands to provide larger contiguous blocks of habitat and wildlife corridors [see the “Project Summary” section of this report, above], (2) support regional plans on endangered species [e.g., the CDFG Coho Recovery Strategy], and (3) preserve...open space, especially near urban areas.” Consistent with **Goal 5 Objective A**, the proposed project will preserve, restore and enhance over 16,000 acres of coastal habitats including stream corridors and redwood forest. Consistent with the **Goal 5 Statewide Strategy**, the proposed project will “assembl[e] properties and restor[e] systems that are of sufficient size or scope to help ensure lasting ecological integrity.” Consistent with **Goal 6 Objectives A and B**, the proposed project is one that will preserve and restore coastal watersheds and improve water quality to benefit coastal resources. Consistent with the **Goal 6 Statewide Strategy**, the proposed project will “(1) help anadromous fish [e.g., coho], (2) implement state non-point source water pollution control plans [the proposed project is consistent with the sediment TMDL], or (3) further endangered species recovery plans or affect significant coastal resources [the proposed project is consistent with the CDFG’s Coho Recovery Strategy].”

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

1. **Promotion of the Conservancy’s statutory programs and purposes:** See the “Consistency with Conservancy’s Enabling Legislation” section, above.
2. **Consistency with purposes of the funding source:** See the “Project Financing” section, above.
3. **Support of the public:** This project has the support of Congressman Mike Thompson, Senator Wes Chesbro, Assemblymember Patty Berg the Redwood Forest Foundation, Inc., the Mendocino Coast Audubon Society, the Sierra Club and others. Letters of support are included in Exhibit 5.

4. **Location:** The proposed acquisition is located in two Mendocino County coastal watersheds, Big River and Big Salmon Creek. Both have been identified by DFG as refugia watersheds for coho salmon, a coastal resource. A small portion of the property to be acquired in the Big Salmon Creek watershed is located in the coastal zone.
5. **Need:** Conservancy support is crucial to the completion of this project. No other public funding sources are available that can provide funding in the short time frame that is required to complete this transaction.
6. **Greater-than-local interest:** Conversion of commercial timberland to other uses is an increasing issue throughout the north coast region. The proposed acquisition will ensure that approximately 16,000 acres in two coastal watersheds highly susceptible to fragmentation for other uses will be kept as working forest lands.

Additional Criteria

7. **Urgency:** TCF must complete this transaction by the end of September, 2006. If funding is not approved for this project, it is likely that the properties will be split into parcels and sold off piecemeal, resulting in the permanent loss of forest land and the opportunity to undertake large-scale conservation.
12. **Readiness:** The proposed acquisition is expected to be completed by September 15, 2006.
13. **Realization of prior Conservancy goals:** See the “Project History” section, above.
14. **Return to Conservancy:** See the “Project Financing” section, above.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

Although only a small portion of the property to be acquired in the Big Salmon Creek watershed is located in the coastal zone, the overall project is nonetheless consistent with several policies contained in the Mendocino County Local Coastal Plan (LCP). The LCP specifically identifies anadromous fish streams as sensitive environmental habitat, and lists the Big River as among the most important anadromous fish streams in the county.

Policy 3.1-7 states that “a buffer area shall be established adjacent to all environmentally sensitive habitat areas . . . to provide for a sufficient area to protect the environmentally sensitive habitat from significant degradation. . . .” The forest management plan that will be developed subsequent to the acquisition will ensure habitat buffers over and above those required by current regulation to protect the anadromous fishery resources.

The project is further consistent with the Coastal Act, specifically with Public Resources Code Section 30243, which states in relative part “The long-term productivity of soils and timberlands shall be protected. . . .”

CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/ STATE WATER QUALITY CONTROL PLAN:

Under Public Resources Code section 31220(c), projects funded under Chapter 5.5 of Division 21, the Conservancy’s enabling legislation, must be consistent with the Integrated Watershed Management Program established pursuant to PRC Section 30947 and local watershed management plans, “if available and relevant to the project.” In addition, under Proposition 50, the “Wa-

ter Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002,” watershed protection activities must be consistent with the “applicable adopted local watershed management plan and the applicable regional water quality control plan adopted by the regional water quality control board.” Water Code section 79507; see also section 79570(a). The proposed project is consistent with several relevant plans and programs, as described below.

Applicable Regional Water Quality Control Plan. Mandated by both the Federal Clean Water Act and the State Porter-Cologne Water Quality Act, water quality control plans (basin plans) designate beneficial uses of water bodies and identify water quality objectives to ensure reasonable protection of beneficial uses. The beneficial uses, water quality objectives and anti-degradation policies, together, constitute water quality standards. In 1988, the North Coast Regional Water Quality Control Board synthesized a single *Water Quality Control Plan for the North Coast Region (Basin Plan)*. This Basin Plan is the applicable regional water quality control plan pursuant to Proposition 50.

Section 303(d) of the Clean Water Act requires states to identify waters that do not meet applicable water quality standards that are largely contained in the Basin Plans. The Big River watershed is on the section 303(d) list due to impairment and/or threat of impairment to water quality by sediment and temperature, and the Albion River watershed, which contains Big Salmon Creek, is on the 303(d) list for reasons pertaining to sediment. The U.S. Environmental Protection Agency (EPA) established the Big and Albion River TMDLs (“total maximum daily loads”) for sediment in December 2001 (development of the temperature TMDL is not yet scheduled), and in November 2004, the RWQCB adopted the TMDL Implementation Policy for Sediment Impaired Receiving Waters in the North Coast Region (TMDL Implementation Policy, adopted in lieu of amending the Basin Plan to add TMDL implementation strategies), which addresses all sediment-impaired water bodies in the North Coast region.

The TMDL Implementation Policy resolves to “enhance non-regulatory actions with organizations and individuals to encourage sediment waste discharge control, watershed restoration and protection activities” (Resolution 1F) and “strongly encourages all landowners within the North Coast Region that are currently discharging or threatening to discharge sediment waste to work to control discharges” (Resolution 2). In the proposed project, TCF, the new landowner, will voluntarily reduce current timber harvest volumes by up to 50%, increase buffers along watercourses, and plan for and eventually implement site restoration activities that will significantly reduce sediment discharges into both the Big River and Big Salmon Creek watersheds. The proposed project is thus consistent with the TMDL Implementation Policy and the Basin Plan.

Integrated Watershed Management Program established pursuant to PRC Section 30947. The *North Coast Integrated Regional Water Management Plan, Phase I (NCIRWMP)*, prepared by *Circuit Rider Productions, July 2005*) was developed pursuant to PRC Section 30947 (but is not intended to be adopted by the RWQCB). The NCIRWMP identifies six primary integrated water management objectives for the North Coast region, relevant at both the local and regional scale, of which the following two apply to the proposed project: (1) “Conserve and enhance native salmonid populations by protecting and restoring required habitats, water quality and watershed processes;” and (2) “Support implementation of TMDLs, the North Coast RWQCB’s Watershed Management Initiative (WMI) and the Nonpoint Source Program Plan.” As discussed immediately below, the proposed project is consistent with applicable objectives of the NCIRWMP, and thus with the Integrated Watershed Management Program.

Conservation and Enhancement of Native Salmonid Populations. As discussed above, the proposed project will significantly reduce sediment discharges into both the Big River and Big Salmon Creek watersheds, will enhance riparian habitat which result in decreased temperature and thus enhanced salmonid habitat, and will plan for and implement site restoration activities.

Support Implementation of TMDLs. As discussed above, the proposed project supports implementation of TMDLs.

Support the North Coast RWQCB Watershed Management Initiative. A key component of the SWRCB's and the nine RWQCB's 2001 Strategic Plan² is a watershed management approach. The Watershed Management Initiative (WMI) is intended to support the Strategic Plan to address the Strategic Plan goal that surface waters be safe to support healthy ecosystems and other beneficial uses. The North Coast RWQCB has developed a *WMI Chapter (February 2005)*, a document that identifies regional watersheds, prioritizes water quality issues, and develops watershed management strategies. The WMI Chapter is strictly a regional planning document; it is not intended to be adopted by the RWQCB, nor is it a regulatory document. Among the highest-priority activities identified in the WMI Chapter include increasing emphasis on nonpoint source pollution issues (including forestry), especially as they affect salmonid resources, and developing and implementing TMDL strategies (mostly sediment and temperature associated with salmonid resource declines). With regard to the Big River watershed, the WMI Chapter in Section 2.3.6 identifies the primary water quality issues to be sedimentation of streams, salmonid habitat degradation and high water temperatures, and references the beneficial uses established in the Basin Plan, specifically those associated with anadromous fishes. Similarly for the Albion River watershed, the WMI Chapter in Section 2.3.7 identifies the primary water quality issues to be sedimentation of streams and salmonid habitat degradation, and references the beneficial uses associated with anadromous fishes. For both watersheds, the WMI Chapter explains that implementation will occur in the form of the TMDL Implementation Policy. As concluded in the "Basin Plan" discussion above, the proposed project will be consistent with the WMI, specifically the North Coast Chapter.

Support the California Nonpoint Source Pollution Control Program. The Plan for California's Nonpoint Source Pollution Control Program (NPS Program Plan) provides a single, unified, coordinated statewide approach to dealing with NPS pollution. The *Plan for California's Nonpoint Source Pollution Control Program (SWRCB and California Coastal Commission (CCC), January 2000)* and the *Five-Year Implementation Plan for July 2003 through June 2008 (SWRCB and CCC in coordination with the Nonpoint Source Interagency Coordination Committee, December 2003)* establish forestry category management measures to address the various phases of forest operations that can cause pollution of State waters. These management measures are to be implemented or required by the various State agencies. TCF, the new landowner, expects not only to meet all applicable forest regulations (e.g., the State's Forest Practice Rules, which are promulgated by the State Board of Forestry and Fire Protection and administered by the California Department of Forestry and Fire Protection), but to voluntarily reduce current timber harvest volumes by up to 50%, increase buffers along watercourses, and plan for and eventually implement site restoration activities that will significantly reduce sediment discharges into

² The Strategic Plan is a continuing agency-wide planning process that articulates the goals, strategies, objectives, and performance measures used to guide ongoing decision-making and help ensure that the mission of the State and Regional Boards is accomplished.

both the Big River and Big Salmon Creek watersheds. The proposed project is thus consistent with the California Nonpoint Source Pollution Control Program.

Local Watershed Management Plans. There are no adopted local watershed management plans applicable to the proposed project area (*NCIRWMP, Appendix H*). Thus there is no applicable adopted local watershed management plan under which it is appropriate to determine potential project consistency.

CONSISTENCY WITH OTHER PLANNING EFFORTS:

- The California Department of Fish and Game's (DFG's) *Recovery Strategy for California Coho Salmon (February 2004)* identifies both the Big River and Albion River (which includes Big Salmon Creek) watersheds as "refugia" watersheds for coho because they have consistent coho presence (both greater than 50%), as watersheds in which risk of coho extinction is "high" (Albion River) or "medium-high" (Big River), and as watersheds that are a top priority for restoration. The plan recommends in its range-wide sediment recommendations, Section 7.5, identifying and prioritizing specific sediment source locations for treatment that may deliver sediment to coho salmon streams (recommendation RW-VI-A-02). The plan recommends in its range-wide water temperature recommendations, Section 7.6, identifying and implementing actions to maintain and restore water temperatures to meet habitat requirements for coho salmon in specific streams (recommendation RW-X-B-01). The plan recommends in its range-wide land use recommendations, Section 7.15, encouraging continued economically sustainable management of forest lands in the range of coho salmon to reduce the potential for conversion to residential or commercial development (recommendation RW-XXV-B-04) and acquiring land in fee title from willing landowners to protect coho salmon (recommendation RW-XXV-C-01). The plan recommends in its watershed recommendations, Section 8.2.1.1, protecting and enhancing riparian buffer zones through conservation planning and acquisition with willing landowners to protect coho salmon (recommendation MC-AR-07). The proposed acquisition is consistent with these recommendations.
- The proposed acquisition is consistent with the Mendocino Land Trust's *Mendocino County Coastal Conservation Plan (April 2003)*, a Conservancy-funded plan that identifies both the Big River and Big Salmon Creek watersheds as "high priority" conservation areas.
- The Conservation Fund's *Conservation Prospects for the North Coast: A Review and Analysis of Existing Conservation Plans, Land Use Trends and Strategies for Conservation on the North Coast of California (August 2005)* notes that the project area emerges as a clearly agreed-upon priority for conservation action, such as acquiring working forest easements and implementing restoration projects in the Big River watershed. The proposed project enables managing the property as sustainable working forest and implementing restoration, and is thus consistent with this plan.

COMPLIANCE WITH CEQA:

The acquisition of the Hawthorne Forestlands property is categorically exempt from review under the California Environmental Quality Act pursuant to 14 Cal. Code of Regulations Section 15325, which exempts transfer of ownership of interests in land in order to preserve open space

and habitat; and Section 15313, which exempts transfer of ownership to preserve wildlife habitat. Upon Conservancy approval of the proposed authorization, staff will file a Notice of Exemption.